



**2015 State of the City Speech
Mayor William J. Healy II
Wednesday, March 18, 2015**

Good evening and welcome to the Pro Football Hall of Fame for the 2015 State of the City address. I would first like to recognize and thank our sponsors for this event—The Canton Regional Chamber of Commerce represented by Denny Saunier, Aultman and Aultcare represented by *Joe Novak and/or Jim Harris*, Huntington Insurance represented by Mark Woessner, and Comp Management represented by Bobbijo Werren. I would also like to thank David Baker and the Pro Football Hall of Fame for their continued support and allowing us to hold this event here. Thank you all for your unwavering dedication to the City of Canton.

I would like to recognize Canton City Council and thank them for all their hard work, as well as the other city elected officials joining us today. Would all members of council please stand to be recognized? This is an incredibly dedicated hardworking group of people. Even though these positions are considered part-time, every one of these members works more than full-time to improve the quality of life in Canton. Thank you.

I would also like to thank you, the residents, business owners, and community leaders of Canton for your continued support and confidence in our administration over the past seven years. It is because of all of you that the future is bright for the City of Canton.

About 12 years ago my family and I were living on the East Coast and I was successfully running my own business. No matter where I went, I used to brag about my hometown. I would tell people that I was a graduate of Canton McKinley and from the home of the Pro Football Hall of Fame! I was proud of my hometown. And then my father passed away. When I returned to Canton to take care of my father's affairs, it gave me a chance to see what had happened to Canton while I was away. I was shocked. Businesses had left town, homes were boarded up, gangs were running rampant, and what shocked me the most was that only half of our children were graduating from high school. I couldn't understand how that was even possible, here in Canton, Ohio. That's when I knew I wanted to return home and try and make a difference.

When I was first elected my initial goal was to stop the decline. And then we were hit by the great recession where our unemployment rate had risen to 15%, the State cut millions of dollars in local funding, and our safety forces dropped to the lowest levels in 50 years. Despite all of the challenges, not only were we able to stop the decline, but we also created financial stability. We began moving our city in the right direction, and today great things are happening in Canton.

To help us navigate through those difficult times, we assembled the most talented, educated, and professional management team in the city's history.

I would like to recognize my Deputy Mayor Fonda Williams and my Cabinet for their personal and professional dedication and leadership to the City of Canton. Thank you. The citizens of Canton depend on you, and I depend on you.

In the back of the room we have photos of our entire management team and staff. These are the department heads and other individuals in key positions that fall under my authority as Mayor. These 31 individuals have 65 college degrees, professional certificates or licenses. This group also has a combined 150 years of management experience and 360 years collectively with the city. When you hire great people you should expect great things to happen, and they are.

I would like to take a moment to congratulate three specific individuals who were recognized this year by their peers as achieving the highest standard of excellence in their respective departments: Tyler Converse our Water Superintendent, Dan Moeglin, our City Engineer, and Tracy Mills, Superintendent of Water Reclamation. Congratulations and thank you for bringing excellence to the City of Canton.

In addition to this group, because I don't want to leave anybody out, there are other key people serving under other elected officials, who all play an integral role in moving Canton forward. It is because of this incredible management team that I am able to stand before you today and say that great things are happening all over the city, and if you are not excited about Canton's future, you haven't been paying attention! Let me just remind you of a few things going on:

VXI Global Solutions with over 1200 employees...Canton Brewery, New Downtown College Campus, United Way, the Lowest Unemployment rate in over 30 years ...Infrastructure Upgrades, YMCA, First Fridays, Scholarships available to every student within our city limits...Brighter Tomorrow Plan, Foreign Direct Investment, Regionalism, families living in the Onesto Hotel after 40 years of sitting empty...COPs Grants, Big Concerts - Like Aerosmith, An evolving Oil and Gas Industry...Zimmerman Symphony Center, A New Computer Operating System, Demolishing over 1,000 blighted homes...Mahoning Road Corridor Project, Sr. Housing Developments, New Hotels, hiring More Police Officers... Canton Charge, CIRV, Evolving Enshrinements Festival, creating city-wide Comprehensive Plan...New Stadium, Highly Sophisticated Community Policing Strategies, the finest winery in the nation...Annexations, JEDD's & CEDA's, Market Square, spending local tax dollars on local workers... Mills Industrial Park, Consolidated 911 Dispatching, and the largest, cleanest, greenest waste water treatment plant in the world...To top it all off... the Hall of Fame Village Project! A project that will be the economic engine for Canton and the region for years to come!

The city of Canton has never seen this much activity and positive energy. This is the current state of our city, and I'm here to tell you that this is just the beginning.

In addition to building an all-pro management team, we have also made fiscal responsibility a top priority. Last year I reported that the city's finances were the strongest in over a decade, and today I am going to share with you how the city is continuing to benefit from our overall financial position.

We have collected the highest income tax revenue in our history for the second year in a row. And we have continued to reduce our overall debt while investing in our equipment and infrastructure, all while maintaining healthy reserves in our enterprise funds.

There are some areas of concern however, as our general fund cash flow is still lower than it was before the recession. This is directly related to the cuts in the local government funds that have been made at the state level. So let's take a closer look at our finances.

The City of Canton is a \$254 million business with 32 Departments and over 900 full time employees participating in 5 labor unions. As a statutory city, all three branches of government are represented including 22 elected officials and 13 different appointing authorities. As I have shared with you in the past, managing the city's finances is a bit complicated.

We have many different funds that make up our overall budget, including enterprise funds, grant funds, capital funds, and of course the General Fund, which is what we spend most of our time talking about. The one thing you need to know is that you cannot commingle these different funds. So, just because we have money in one area, it does not mean it can be used for anything else. In most cases, every dollar has a specific purpose and needs to stay in the funding stream it currently applies. And the reason I can stand here and tell you that we are doing very well financially, yet also tell you that we need to be cautious with our spending, is because while most of our funds are in great shape, a few others continue to be a challenge.

Let's take a closer look at the general fund. Our General Fund is a combination of our income tax collections, the state's local government funds, interest income, grants, fines, fees, etc. This is the fund we pay our police and fire out of, which means state cuts have a direct impact on the number of police and firefighters we can afford.

The largest portion of the general fund comes from income tax collections. In 2010 during the depth of the recession, the unemployment rate had peaked at 15% and income tax collections dropped to \$28.7 million. In 2014 the unemployment rate dropped to a 30-year low of 5.1% and our income tax collections rose to a record level of \$34.8 million. That was a \$6.1 million annual increase. The City of Canton's local economy has recovered.

However, while we were recovering from the recession locally by retaining companies, bringing in new businesses, and growing our local economy, our state legislators and governor balanced their books on the backs of local communities throughout the state. As Council President Allen Schulman and I have indicated countless times, the state has slashed local government funds, repealed the inheritance tax and made numerous other cuts that have cost the City of Canton \$6.1 million annually. That's the exact same amount that we lost during the great recession.

What this means is that the local government policies by our State Legislators and Governor have had the exact same impact on the City of Canton as the greatest recession in our history. To top it off, the State of Ohio is sitting on a \$2 billion reserve and they refuse to restore their support for local communities.

Another important source of available revenue for our General Fund is the amount of money not used from the prior year, called our carryover. Our General Fund carryover has continuously improved each

year since 2009, meaning we have spent less than we have taken in each of those years. However, in response to the concerns of our constituents, and in collaboration with City Council, we chose to beef-up our safety forces this past year. If you remember last year, we hired 35 new police officers and firefighters. And this year we are planning on hiring additional safety forces. Therefore, for the first time in five years our carryover in the general fund was less than the prior year.

General Fund spending is determined by the prior year's carryover, added to income tax and property tax collections, local government funding and non-tax revenues. In spite of the growth of our local economy, our 2015 general fund budget is still less than our pre-recession high in 2008. In effect, the cuts from our state government have wiped out seven years of our local recovery and growth.

As I mentioned, the City's 2014 budget was \$254 million and the general fund accounts for about 22% of that. The biggest portion of the overall budget comes from our three largest enterprise funds; Water, Sewer and Sanitation, which account for over \$96 million or 38% of the city's total spending.

During the past several years, we have been aggressively investing in the repair and maintenance of our plants as well as the replacement of equipment in our Water, Sewer, and Sanitation Departments. In fact, over the past seven years, we have spent nearly \$50 million improving our operations in these departments with plans to spend about \$90 million more over the next couple years to provide the highest quality services to our citizens.

One example of our success is the Sanitation Department. This department was on the verge of collapse when I took office. But today, we are able to provide a quality service at a competitive price for our citizens. In fact, we are so efficient; we are able to compete with the private sector outside our city limits. Can you imagine? A public service that can compete with the private sector and actually win. And that is exactly what we are doing.

In addition to investing \$140 million in these public utilities, we have also been building up the reserves in each of their respective accounts. Collectively, the cash balances have nearly tripled over the past seven years which has helped strengthen our overall financial outlook.

Another key indicator to look at when determining the city's financial outlook is the amount of debt held, and the city's ability to pay off that debt. While we have been reinvesting in our infrastructure, we also have continued to pay down our debt. Since 2006, the city's overall debt has decreased by nearly \$14 million through 2013.

Because of the strength of our financial outlook we are in a great position to take out bonds, and we are able to obtain this financing at interest rates as low as 1%. This year, in collaboration with City Council, local developers, the Canton Chamber of Commerce, and the Pro Football Hall of Fame, we are in the process of funding almost \$15 million in projects.

I continue to set my priorities based on the four pillars of what makes a strong city; Safety, Education, Neighborhoods, and the Economy. The strength of our finances allows us to aggressively address the needs in each of these four areas.

The first pillar I'm going to discuss today, and many believe the most important, of the four pillars is **Safety**. In spite of all the challenges we have faced over the past seven years, our Police and Fire

Departments have been doing an outstanding job. We have the most professional, skilled, trained, and diverse police and fire departments in the region. The citizens of Canton are fortunate to have these local heroes that put their lives on the line for us every day.

Our fire department, under the leadership of Chief Stephen Rich had an extremely busy year in 2014, responding to over 15,000 calls. Of those calls, there were only 214 structural fires, most of the rest of the calls were for EMS services. Because of our aging population, the number of EMS calls continues to increase. Today, putting out fires is only a small part of what they do.

Our firefighters are trained to the highest level, both as firefighters and medics. In addition to fire and medical training, our firefighters have also been prepared for numerous types of disasters, including environmental issues, water rescue, building collapses, natural disasters, terrorist attacks, and just about anything else you can imagine. This training is critical, because we never know when disaster will strike.

Chief Bruce Lawver and our entire police department have gone above and beyond our expectations. This department is performing at the highest level our city has ever seen, and they are getting results!

By implementing community and intelligence led policing strategies, we have been able to reduce the overall crime in Canton by nearly 25% since I have taken office.

Let me give you some examples of how we have been able to make this happen.

As part of our Community Policing initiatives, officers are assigned to attend neighborhood association meetings on a regular basis to interact with the needs of our most active citizens. In addition, our Police Chief and Safety Director have been holding Public Safety Education meetings throughout our city and will continue to do so. Another example of community policing is the assignment of walking beat officers in our downtown, making our downtown one of the safest areas in our city.

We have also been using Intelligence Led Policing Strategies. One way that we have used technology to improve the Police Department's transparency and communication with the public is through the introduction of the body cameras. We started this process nearly two years ago, and as of last week, this program has gone live.

Two years ago, we introduced Shotspotter into our community. Shotspotter is a system that allows us to accurately pinpoint the number of gunshots fired in targeted areas. Since its implementation, our police department has been able to reduce gunshots in those targeted areas by 44%. This is another example of how we have used technology to enhance our policing strategies to make Canton safer.

This has historically been one of the most dangerous neighborhoods in our city. Administrations have tried everything in the past including a substation, task force, bicycle patrols, etc. Yet we have never been able to make a sustainable difference, until now.

Combining community policing, intelligence led policing, and input from our citizens, our strategy has evolved into Highly Sophisticated Community Policing. Using this strategy, we have reduced crime by over 50% in that neighborhood and have been able to maintain these lower numbers. I am talking about violent crimes and quality of life crimes such as burglaries, thefts, trespassing and property crimes that

have the greatest impact on the lives our citizens. We are now targeting other neighborhoods with this customized strategy, and expect similar results.

However, the biggest challenge in keeping our community safe continues to be the ability to hire and pay for safety forces. As I mentioned earlier, we are down \$6.1 million annually because of the actions of our governor and state legislature. Our ability to hire police and fire is directly related to their actions. However, I am personally committed to making our community safer. As our economy is recovering, we are diverting every available dollar to restore the ranks in our Police and Fire Departments as our first priority.

Last year at this time, I swore in a class of 35 new members to our safety forces, which was one of the largest and most diverse hiring classes in our history.

This year's budget will allow us to hire 25 more safety forces, bringing the manpower in our police and fire departments to the highest levels the beginning of the recession.

In the early 2000's there were a number of issues that inspired me to run for office, nothing more alarming than when I heard the graduation rate for Canton City Schools was just over 50%. I knew that our City was in trouble, but I did not realize how bad Canton was struggling until I heard that statistic. Nothing will define a city more than the quality of the school system that services that community. That's why I believe that a quality education system is one of the four pillars needed to build a strong city.

Since that time, Canton City Schools has taken bold and necessary steps to increase their performance and have been making major strides in moving the district forward. Most recently, Superintendent Adrian Allison, has implemented a three phase plan with the goal of creating a brighter tomorrow for our students. His goals were to promote continuous improvement, adapt to the needs of the students, and to personalize learning based on student's strengths.

While we are still in the early stages of this plan, it appears to be working. Today, the graduation rates at McKinley and Timken High Schools are over 80%, which is a huge improvement. And with more changes on the horizon, I am confident that they will reach even higher.

The majority of our children attend either Canton City or Plain Local Schools, and collectively they are graduating nearly 90% of our children, which is well above the State's average and one of the highest graduation rates of all the larger cities in Ohio.

It is not enough to just help our students graduate from high school, we also need to create an opportunity for them to move on to college.

Five years ago, I introduced the Mayor's Scholarship Program by partnering with a handful of local colleges and universities, including Malone University, University of Mount Union, Walsh University, Kent State University at Stark and Pepperdine University.

Today we have 14 colleges and universities that are now guaranteeing scholarship money for every child in our city, including the University of Akron, Stark State College, Bowling Green State University, Miami of Ohio, Brown Mackie, National College and Ohio Technical College.

Our newest partners to the Scholarship Program are Youngstown State University and Texas Southern University, and the program is now known as the City of Canton Scholarship Program. To give an example of how this works, Texas Southern University costs \$18,000 a year for an out of state student. Because of their partnership with the City of Canton, they are guaranteeing \$11,000 per year for every qualified student. And if you are Pell eligible, as most of our students are, you can attend Texas Southern nearly tuition free.

We started this program in 2009 and one of our first participants was Chelsea Perry, a graduate of Canton McKinley. She received scholarship funds for four years while attending Malone University. Ms. Perry graduated last year with a bachelor's degree, and was actually hired by the City of Canton. Today one of her responsibilities is to manage the City of Canton Scholarship Program and to help other students achieve their academic goals. Please join me in welcoming and congratulating Chelsea Perry.

Another one of our partners is Stark State College. They are not only a partner for the City of Canton Scholarship Program, but they have also invested over \$10 million in a brand new downtown campus. In partnership with the Oil and Gas Industry, Stark State provides a wide range of specialized training for students interested in obtaining jobs in this industry. There are currently 400 students attending this campus, with the goals for Stark State to eventually serve over 10,000 students downtown in the near future.

Having healthy, attractive neighborhoods is the third pillar of a strong city. Canton has a wide variety of neighborhoods where some are thriving while others are struggling, and everything in between.

But the one thing our neighborhoods have in common is a core of residents who care about their homes and take pride in their neighborhoods. That's why we have so many neighborhood associations and why we have hundreds of our citizens who are involved in those associations around our city.

These citizens and everyone associated with these neighborhood groups are the real inspiration of our city. This is what it is all about... our people, the families who live in our community. Thank you for what you do every day to make Canton a better place to call home. It is because of you that the rest of us have hope that Canton's future is bright.

To turn that hope in to reality, the single most important thing that I can do for you as Mayor of the City of Canton is to provide you with a comprehensive plan that will be our blueprint for improving every corner of our city for years to come. This comprehensive plan is your plan. It is being created by all of you; by the input of our business leaders, our education leaders, our religious leaders, our community service leaders, our political leaders, our seniors, our youth and anyone else that was interested enough to attend the numerous meeting throughout our city over the past year. The Comprehensive Plan will be completed in a few months and will help set our priorities and vision to move Canton forward for years to come.

Since I have taken office, we have invested over \$20 million addressing our neighborhood's community and housing needs. Just this year, we have partnered with the Ex-Newsboys, the YMCA, and The First Tee for programs supporting our youth. We have partnered with Hammer & Nails, Habitat for Humanity, and Rebuilding Together to support the housing needs for our seniors and veterans. We have also invested in programs that address the mental health and homeless issues having a direct impact on

the neediest among us. I am very proud of the work done through our community development department addressing the needs of the entire community.

We have had the most aggressive housing demolition program in Canton's history. In the past seven years, we have torn down over 1,000 blighted structures. And we have recently received funding that will allow us to tear down another 250 properties over the next two years. In addition to removing the blight, we have also spent \$21 million repairing and replacing over 80 miles of roads and bridges throughout the city.

In fact, we have invested over \$325 million in infrastructure. We have repaired, replaced and upgraded our roads and bridges, demolitions, storm sewers, engineering, parks and recreation, paving, streetscapes, government buildings, and the repair, maintenance, and construction of our water plants and treatment plants.

One example is the upgrades we have made to our fresh water plants. The water department currently operates three plants. Over the past few years we have rebuilt and refurbished all three, but shutting one down and running the city on the remaining two while we rebuilt from the ground up. We initiated a leak detection program that has allowed us to stop the outflow of nearly 5 million gallons of water a day. And as you know, we are in the process of replacing water meters in your homes. All of these upgrades have allowed us to have an abundant water supply at one of the lowest costs anywhere.

Another example is the upgrade being made to our waste water treatment facility, which is the single largest investment in our city's history. Upon the completion of this project, in about two years, we will have the largest, cleanest, greenest waste water treatment facility in the entire world at one of the lowest costs.

Having the excess capacity to provide fresh water and waste water treatment at one of the lowest costs available will make our city attractive to manufacturers who need these types of services.

And that leads me to the fourth pillar of a strong community: economic development.

Our economic development efforts consist of retention and expansion of existing companies such as Freshmark, Stolle Machinery, Case Farms, and Hydrodec.

The attraction of new companies such as I2R Power Cable Company, Corporex Capital, and EHDOC, Stark State Energy Campus, and numerous companies associated with the Oil and Gas Industry.

We have also been aggressively going after international companies and direct foreign investment and we are seeing the results of our efforts with new companies such as AmbaFlex, Kubota, and Ecovacs. Our ability to work with strategic partners such as the Canton Regional Chamber of Commerce, the Stark County Oil and Gas Partnership, the Local Building Trades, Stark Development Board, and other government officials has contributed to our success in reaching this historically low unemployment rate.

A strong city must have a strong and vibrant downtown. We are proud that VXI who came to our city three years ago has become one of our top employers in the city. We are excited that both the YMCA and United Way are once again located in downtown Canton. We are blessed with individuals like Rob Hankins who had the vision to create our downtown Arts District and bring us First Fridays. And I

would like to especially thank my good friend, Steve Coon for continuing to believe in Canton. With the support of our city council, the Historic Onesto Project has become a reality. And if you were planning to move into the Onesto, it may be too late!

The unemployment rate is one of the most accurate indicators as to the strength of any economy. Just five years ago, the City of Canton's unemployment rate peaked at 15% during the Great Recession. And I'm proud to stand before you today and tell you that our unemployment rate has dropped to a 30-year low of 5.1%.

And of course, one of the most exciting developments in our history is happening right here, right now! The development of the Hall of Fame Village.

About two years ago, we started working with the Pro Football Hall of Fame, Canton City Schools, the Canton Chamber, and City Council among others on a plan to renovate Fawcett Stadium. And then, David Baker came to town as the new Director here at the Hall of Fame. One of his first meetings was with Stu Lichter, possibly the largest developer here in Ohio. David Baker's first question was "why wasn't there a Hotel here" and Stu was offering to build one.

One meeting led to another, and now the project has grown to the extent that no one could have imagined. Realizing the magnitude of the opportunity in front of us, this Administration, in collaboration with City Council, made a commitment to put the first five million dollars into this project. By leveraging this investment, this project is bringing hundreds of millions of dollars of outside capital into our city. The best part is that everyone is committed to ensuring that the work will be done by local workers.

While we eagerly await the release of the feasibility study, we know one thing for sure: big dreams create bigger realities. At this time, I would like to invite the biggest man to the front, Dave Baker.

Also, I would like to invite members of City Council up here to join me. In addition, I would ask that some of our key partners also join us: Dennis Saunier representing the Canton Chamber of Commerce and Dave Kirven representing Builders Trades.

On behalf of the city of Canton, we would like to present you with this check for \$5 Million. With this investment and the start of this project, Canton has changed forever.

What we now call the Hall of Fame Village is more than bricks and mortar. It's a game changer for the City of Canton. This project will serve as an economic engine for the entire region for years to come. Let's take a sneak peak at this amazing project.

Thank you, David, for bringing your Big Dreams to Canton, Ohio.

Could You Have Imagined?

As I referenced earlier, when I first returned to Canton, we were struggling. Think back to the condition of our city 10 to 12 years ago. At that time, Could you have imagined: First Fridays events that attract thousands of visitors not just from Canton or neighboring cities, but from neighboring states...or that we would be home to Gervasi, the finest winery in the nation?

Could you have imagined that we would have a downtown college campus, or that people would be living in the downtown Onesto Hotel ...?

Could you have imagined that Oil and Gas would be a major industry in our communityor that we would have a microbrewery downtown...?

Could you have imagined that we would have the largest, cleanest, greenest waste water treatment facility in the entire world... that crime would drop by 25%...?

Could you have imagined that we would be graduating 90% of our students...and offering a scholarship to every one of them ...?

Could you have imagined that our finances would be stronger AFTER the great recession than they were before, or that the unemployment rate would reach a 30 year low...?

And who would have dreamt that we would be here today talking about the Hall of Fame Village, a project that will change Canton forever?

Great things ARE happening in Canton! Don't let anyone tell you otherwise.

Thank you.